



NASDAQ: SBLK

# 1<sup>st</sup> Quarter 2015 Financial Results



July 2015

# Forward-Looking Statements



*Except for the historical information contained herein, this presentation contains among other things, certain forward-looking statements, that involve risks and uncertainties. Such statements may include, without limitation, statements with respect to the Company's plans, objectives, expectations and intentions and other statements identified by words such as "may", "could", "would", "should", "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, including those detailed in the Company's filings with the Securities and Exchange Commission. Actual results, including, without limitation, operating or financial results, if any, may differ from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control).*

*Forward-looking statements include statements regarding:*

- The completion of Star Bulk's recently announced acquisition of assets;*
- The delivery to and operation of assets by Star Bulk and the integration of recently acquired assets and business operations;*
- Star Bulk's future operating or financial results;*
- Future, pending or recent acquisitions;*
- Star Bulk's business strategy;*
- Areas of possible expansion, and expected capital spending or operating expenses; and*
- Dry bulk market trends, including charter rates and factors affecting vessel supply and demand.*

*Certain financial information and data contained in this presentation is unaudited and does not conform to generally accepted accounting principles ("GAAP") or to Securities and Exchange Commission Regulations. We may also from time to time make forward-looking statements in our periodic reports that we will furnish to or file with the Securities and Exchange Commission, in other information sent to our security holders, and in other written materials. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. This presentation includes certain estimated financial information and forecasts that are not derived in accordance with GAAP. The Company believes that the presentation of these non-GAAP measures provides information that is useful to the Company's shareholders as they indicate the ability of Star Bulk, to meet capital expenditures, working capital requirements and other obligations, and make distributions to its stockholders.*

*We undertake no obligation to publicly update or revise any forward-looking statement contained in this presentation, whether as a result of new information, future events or otherwise, except as required by law. In light of the risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.*

## Q1 2015: Weakest Dry Bulk Market on Record

- ★ Dry bulk charter rates reached historical lows in the first Quarter of 2015, with BDI reaching its lowest level ever recorded
- ★ This weak market led to increased scrapping levels in the first months of 2015

## Q1 2015 Financial Performance

- ★ Net revenues of \$31.7 million
- ★ Adjusted EBITDA of \$(5.6) million
- ★ Adjusted net loss of \$30.3 million or \$0.20/share

## Fleet Update

- ★ Completed the acquisition of the Excel fleet, upon taking delivery of the six remaining vessels, five in Q1 and one in Q2
- ★ Five newbuilding vessels were delivered in Q1 2015 and a total of nine newbuilding vessels were delivered YTD
- ★ We have completed the sale of eight vessels (90's built) that did not fit our commercial profile, two Capesize, five Panamax and one Handymax
- ★ Gross sale proceeds in Q1 2015 were ~\$18.5 million and total of ~\$42.2 million since December 2014

## Operating Expenses

- ★ Focus on operating expenses: \$4,439<sup>(1)</sup> per day per vessel in Q1 2015, 7% reduction from 2014 full year levels
- ★ Cost containment on corporate G&A expenses continued in Q1 2015: \$1,130 per day/ per vessel, 22% reduction from 2014 full year equivalent figure

## Newbuilding Program

- ★ Agreed to defer ~\$288 million of installments from 2015 to 2016 and delay vessel deliveries by a total of 78 months (~3.4 months per vessel)
- ★ Agreed to cancel a newbuilding vessel with no penalty ⇒ Equity capex reduction of \$11.6 million

## Equity Raise

- ★ The Company proactively strengthened its balance sheet to provide additional financial flexibility by raising ~\$425.0 million in 2015

## Debt Financing

- ★ Secured financial covenant relaxation from our lending institutions until end of 2016
- ★ Total amount of \$22.2 million paid against loan facilities of vessels sold
- ★ Arranged committed financing on 24 out of 25 existing newbuilding vessels

(1) Figure excludes pre-delivery expenses



# Corporate & Financial Highlights



# Q1 2015 Financial Highlights



<u>Period</u>	<u>Three months ended March 31, 2015</u>	<u>Three months ended March 31, 2014</u>	<u>Increase / (Decrease) %</u>
Net revenues*	\$31.7m	\$19.3m	64.1%
EBITDA Adjusted	\$(5.6)m	\$7.8m	n/m
Net Loss	\$(40.2)m	\$(0.9)m	n/m
Net income/(Loss) Adjusted	\$(30.3)m	\$1.7m	n/m
TCE Adjusted	\$6,866	\$14,343	(52.1%)
Average daily OPEX per vessel	\$4,739	\$5,629	(15.8%)
Average daily Net Cash G&A expenses per vessel (inc. management fees)	\$1,130	\$1,473	(23.3%)
Average N. of Vessels	65.1	15.8	-
<b>EPS Adjusted</b>	<b>\$(0.20)</b>	<b>\$0.06</b>	<b>n/m</b>
Weighted average number of shares outstanding, diluted	153,471,655	28,849,559	-

"Adjusted" figures exclude non-cash items

\*Net revenues = Total gross revenues adjusted for non-cash items – Voyage expenses

# Balance Sheet as of March 31, 2015



(in \$ '000s)	Mar 31, 2015 (unaudited)	Dec 31, 2014 (audited)
<b>ASSETS</b>		
Cash and restricted cash (current and non-current)	226,596	99,972
Other current assets	43,487	45,078
Vessels and other fixed assets, net	1,631,259	1,441,851
Long-term investment	813	634
Advances for vessels under construction	400,637	454,612
Fair value of above market acquired time charter	5,884	11,908
Other non-current assets	12,642	8,029
<b>TOTAL ASSETS</b>	<b>2,321,318</b>	<b>2,062,084</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Total debt	907,449	861,793
Total other liabilities	45,379	45,989
Stockholder's equity	1,368,490	1,154,302
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>2,321,318</b>	<b>2,062,084</b>
Net Debt	680,853	761,821
Total Capitalization (Debt + Equity)	2,275,939	2,016,095
Debt / Total Capitalization	39.9%	42.7%
Net Debt / Total Capitalization	29.9%	37.8%



# Company Update

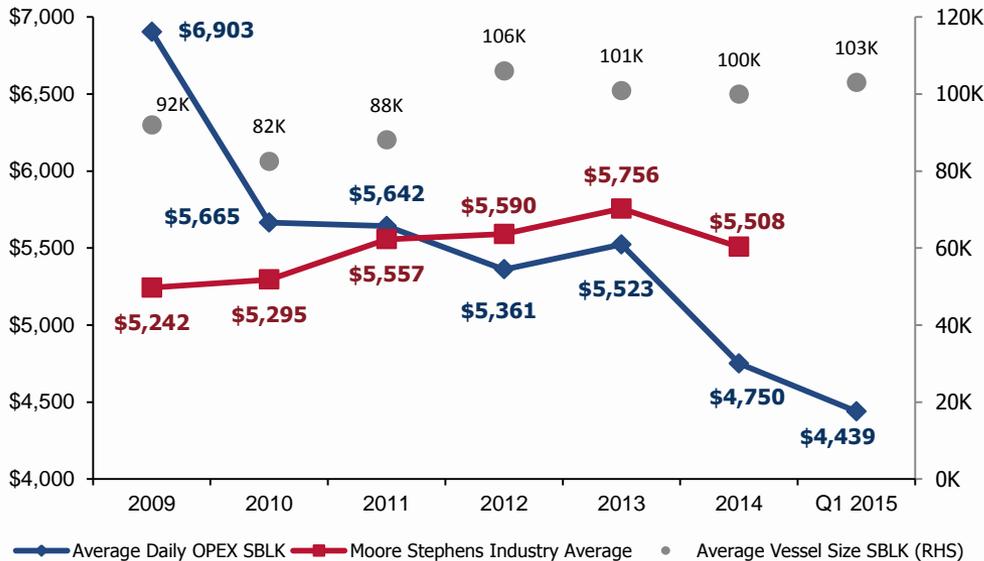


# Continued Operational Excellence

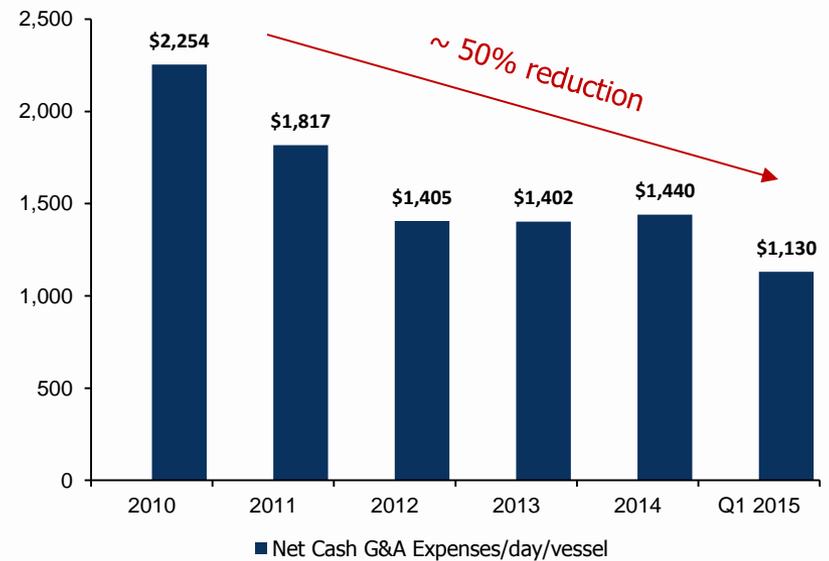


- ★ Vessel OPEX<sup>(1)</sup> were \$4,439 per day for Q1 2015, reduced by 7% compared to the equivalent figure for full year 2014
- ★ Over 84% of managed vessels have a 5 star Rightship rating with all vessels rated with either 4 or 5 stars
- ★ Average daily net cash G&A expenses for Q1 2015 reduced by 22% versus the equivalent figure for full year 2014, mainly as a result of economies of scale from managing a larger fleet

### Average Daily OPEX <sup>(1)</sup>



### Net Cash G&A<sup>(2)</sup> Expenses vs # Employees

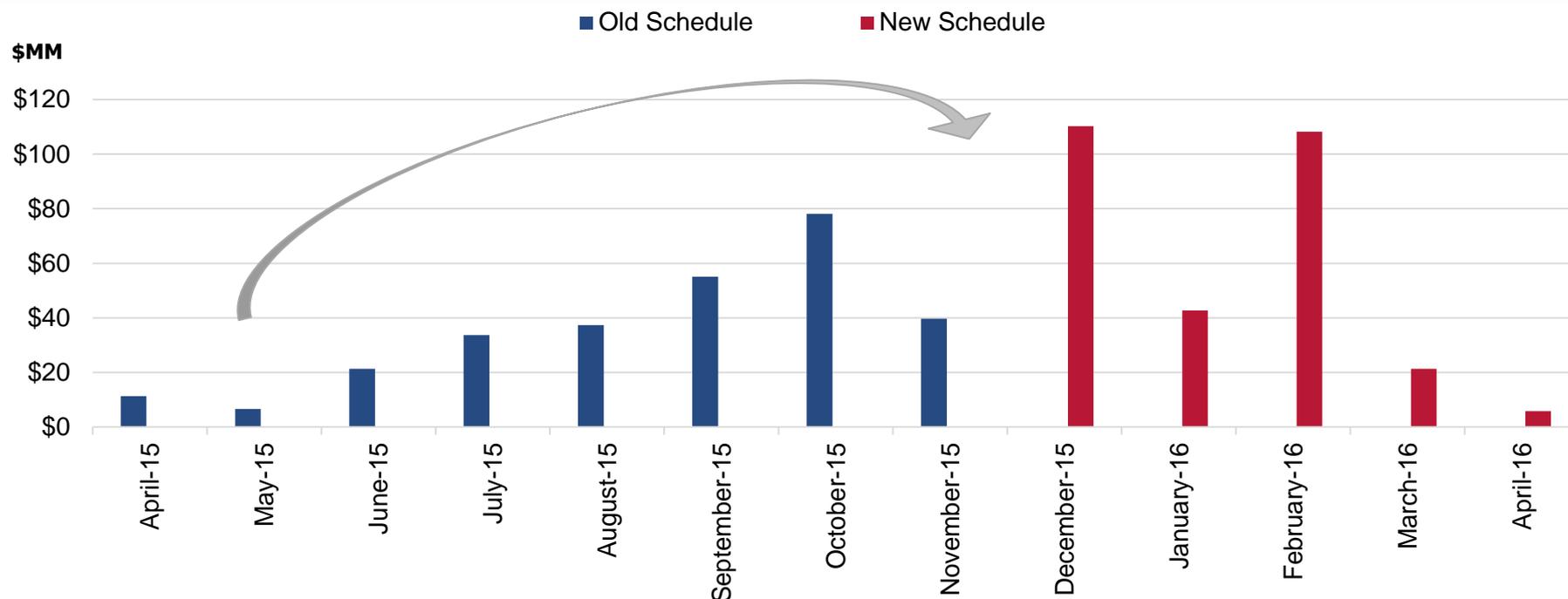


(1) Figures exclude pre-delivery expenses

(2) Excludes one-off severance payments and share incentive plans, includes management fees

# Capex Deferral – Agreements with Yards

- Agreed to defer ~\$288 million of installments from 2015 to 2016
- Vessel deliveries delayed by a total of 78 months, for an average period of ~3.4 months per vessel
- Strengthened Company's liquidity in 2015
- Increased newbuilding resale values



	Total	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
<b>Remaining NB Capex<sup>(1)</sup></b>	<b>\$903.6</b>	\$26.4	\$149.4	\$181.9	\$425.4	\$73.8	\$46.7	\$0.0

(1) As of June 24, 2015

All figures approximate (in million)

# Major Covenant Relaxation

❖ Agreed covenant relaxation until 31 December 2016:

➤ **Guarantor's Corporate Financial Covenants:**

- Leverage ratio relaxation
- EBITDA to interest coverage ratio waiver

➤ **Borrower's Financial Covenants:**

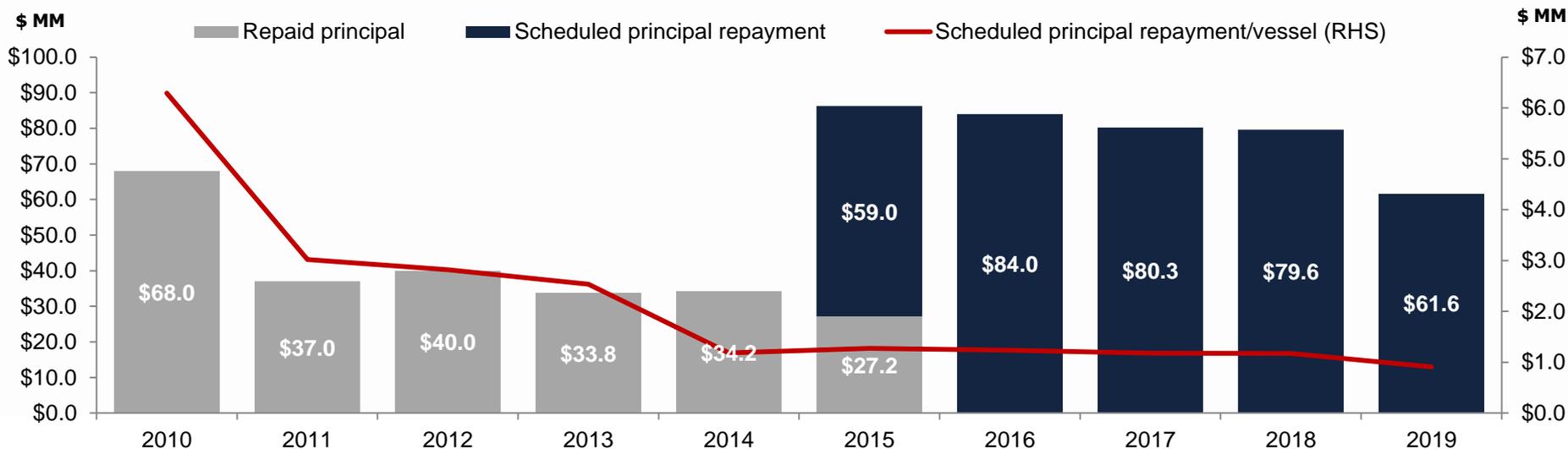
- Security coverage ratio relaxation

**Proven support across all debt financing providers**

## Cash & Debt position

❖ <b>Total Cash (including minimum liquidity amounts)<sup>(1)</sup>:</b>	<b>\$ 335.2 million</b>
❖ <b>Total Debt &amp; Capital lease obligations <sup>(1)</sup>:</b>	<b><u>\$ 951.5 million</u></b>
❖ <b>Net Debt <sup>(1)</sup>:</b>	<b>\$ 616.3 million</b>

## Principal Repayment Schedule OTW Fleet <sup>(2)</sup>



(1) As June 24, 2015- Includes \$22.2 million paid against loan facilities of vessels sold  
 (2) Including repayments of capital lease obligations, excluding future balloon payments and bond redemptions



# Market Update

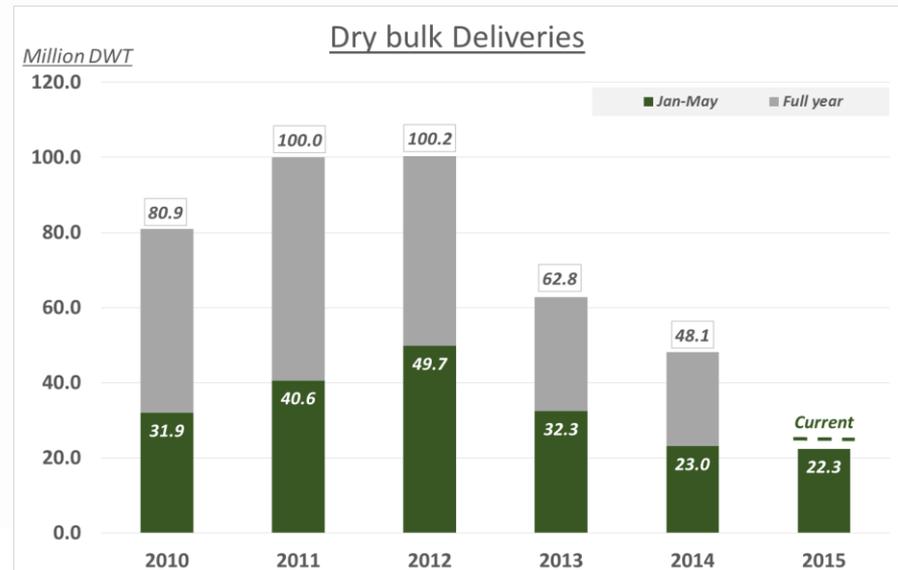
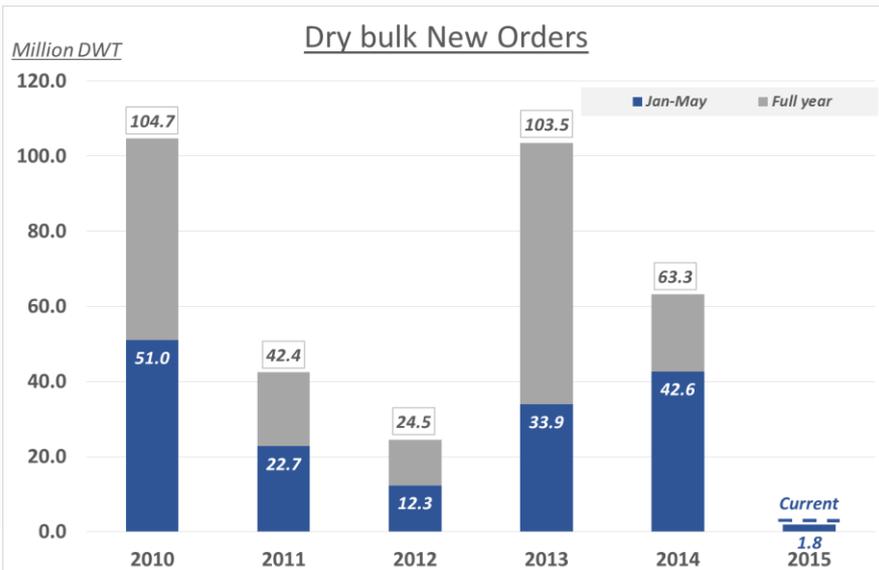
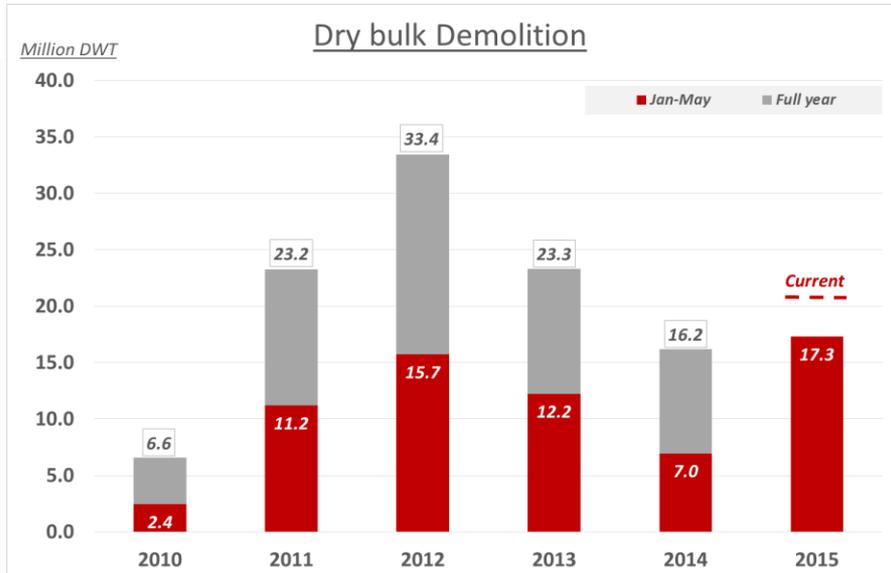


## 2015 Fleet growth revised downwards

- ★ Projected between 2.0% and 3.0%
- ★ Record high demolition activity: 17.3 million dwt between January and May
- ★ Additional 3.5 million dwt reported as sold for demolition
- ★ Slippage expected to affect approx. 30% of scheduled deliveries

## Dry bulk Orderbook decreasing at a high pace

- ★ Currently stands at around 18.5% from 25.0% during 2<sup>nd</sup> half 2014
- ★ Record low contracting since October 2014  
Approximately 2 million dwt during Jan/May.
- ★ Cancellations & Conversions trimming 2016/17 projected fleet growth
- ★ Limited first tier yard capacity for 2017



## 2015 projected to be transition year for trade growth

- ★ First half trade growth affected from commodity price correction, lower steel consumption and destocking of raw materials
- ★ Second half demand growth projected to recover
  - Trade expected to find support from:
    - Bottoming out of commodity prices
    - Depletion of stocks to very low levels
    - Inefficient miners in China closing down (-10%) and replaced by imports
    - Ton-miles multiplier

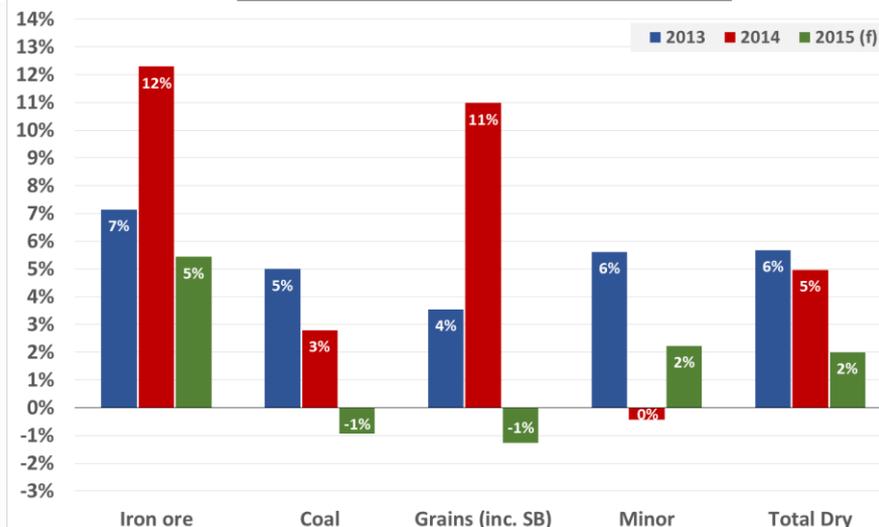
## Dry bulk ton-mile growth for full 2015 projected at 2%

- ★ Iron ore trade projected at 5%
- ★ Thermal and Coking Coal trade projected at -1%
- ★ Grains including soybeans projected at 0%
- ★ Minor bulk projected at 2%

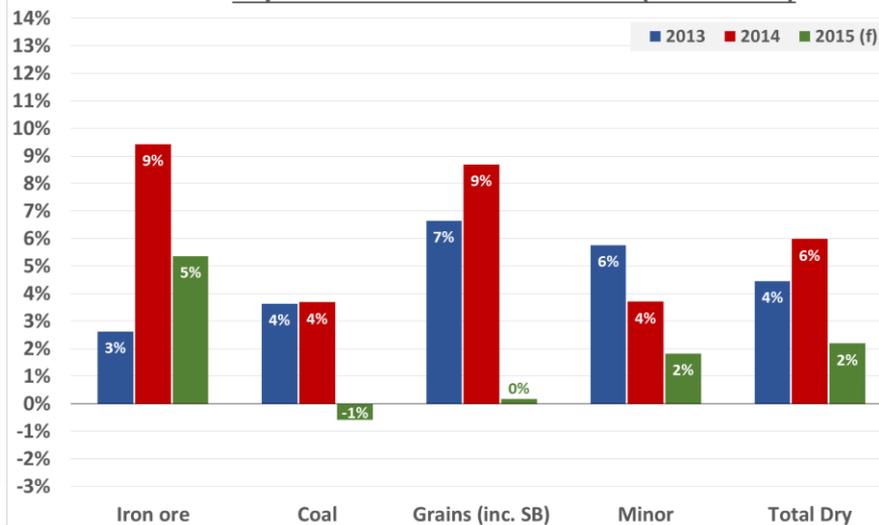
## 2016 trade expected to grow at higher pace than 2015

- ★ Global GDP stimulus due to:
  - Lower oil, raw material and finished product prices
  - Low interest rates
- ★ Chinese government incentives to boost real estate and infrastructure investment
- ★ ASEAN and India infrastructure development acceleration
- ★ Eurozone quantitative easing effect
- ★ Brazil Iron ore ton-mile effect
- ★ Asia coal ton-mile acceleration due to lower Indonesia exports
- ★ Minor bulk trade and ton-mile growth acceleration

Dry bulk Trade - Full Year Growth (TONS)



Dry bulk Trade - Full Year Growth (TON-MILES)





## Closing Remarks



## Healthy Balance Sheet to Secure Financial Flexibility Through Challenging Dry Bulk Market

### Proactive in Challenging Markets

- ❖ Raised \$425.0 million of equity, out of which ~\$242.9 million where from insiders (~57%)
- ❖ Capex deferrals of ~\$288.0 million of installments from 2015 to 2016
- ❖ Waivers and relaxation of financial covenants from our lending institutions
- ❖ Cancellation of one newbuilding vessel and sale of eight vessels ('90s built) and continue disposal of older tonnage

### Strong Balance Sheet

- ❖ Proactively strengthened our balance sheet to provide additional financial flexibility by raising equity
- ❖ Starbulk's newbuilding program is fully funded
- ❖ Total of \$335.2 million in cash<sup>(1)</sup>

### Attractive Platform

- ❖ Largest US listed dry bulk operator with 94 ships on a fully delivered basis
- ❖ High specification newbuilding vessels
- ❖ Strong commercial and operating platforms
- ❖ Low cost operator with industry leading OPEX and SG&A expenses
- ❖ High quality of operations and strict safety standards – 84% of our managed vessels have a 5-star Rightship rating
- ❖ Innovative Vessel Performance Monitoring department
- ❖ Proven support from financing banks and major shareholders
- ❖ Majority of the Board of Directors nominated by institutional investors
- ❖ In-house technical and commercial management for nearly all owned vessels

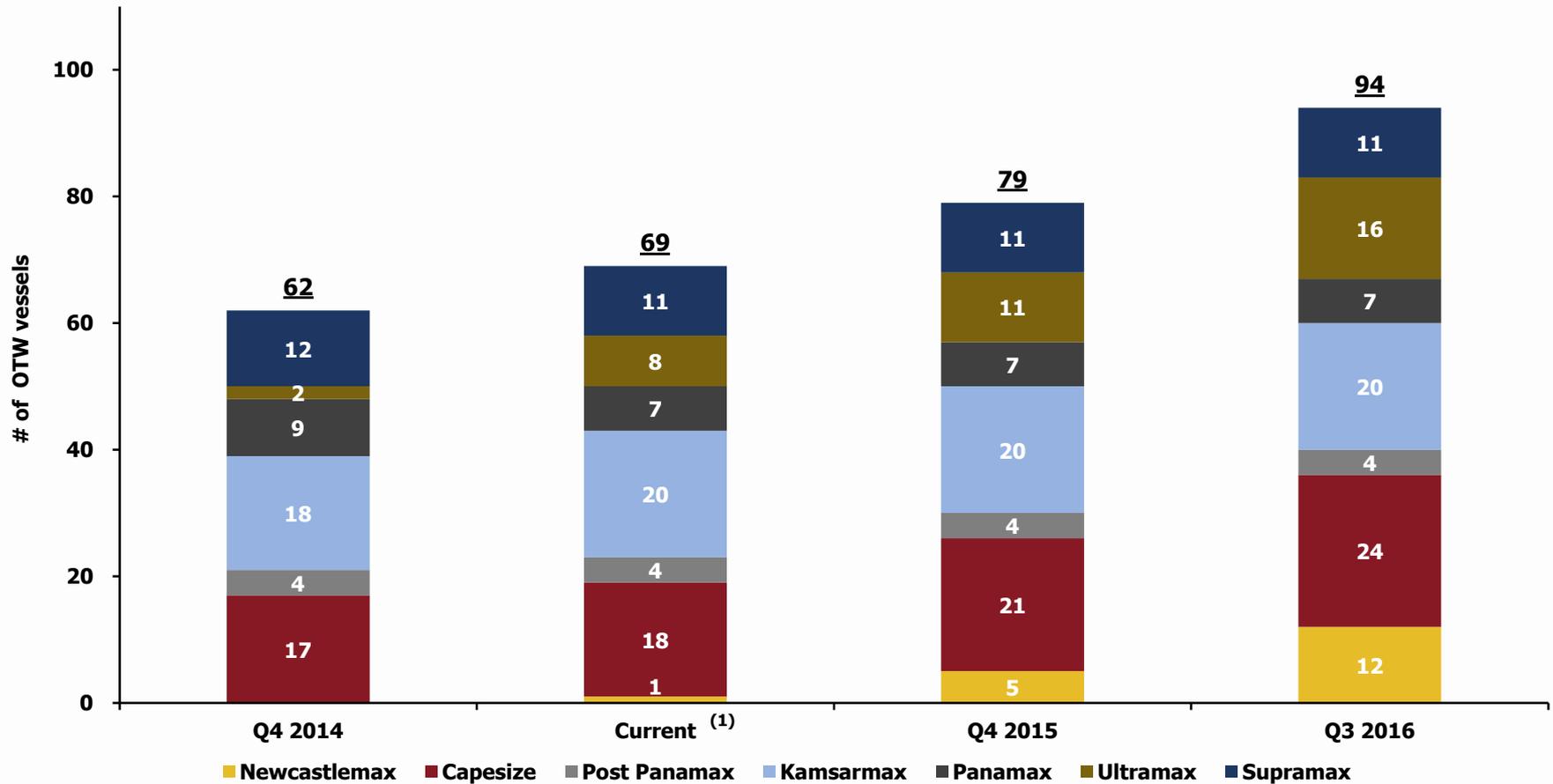
## Opportunity to Invest in a Leading Dry Bulk Operator at a Low Point in the Cycle



# Appendix



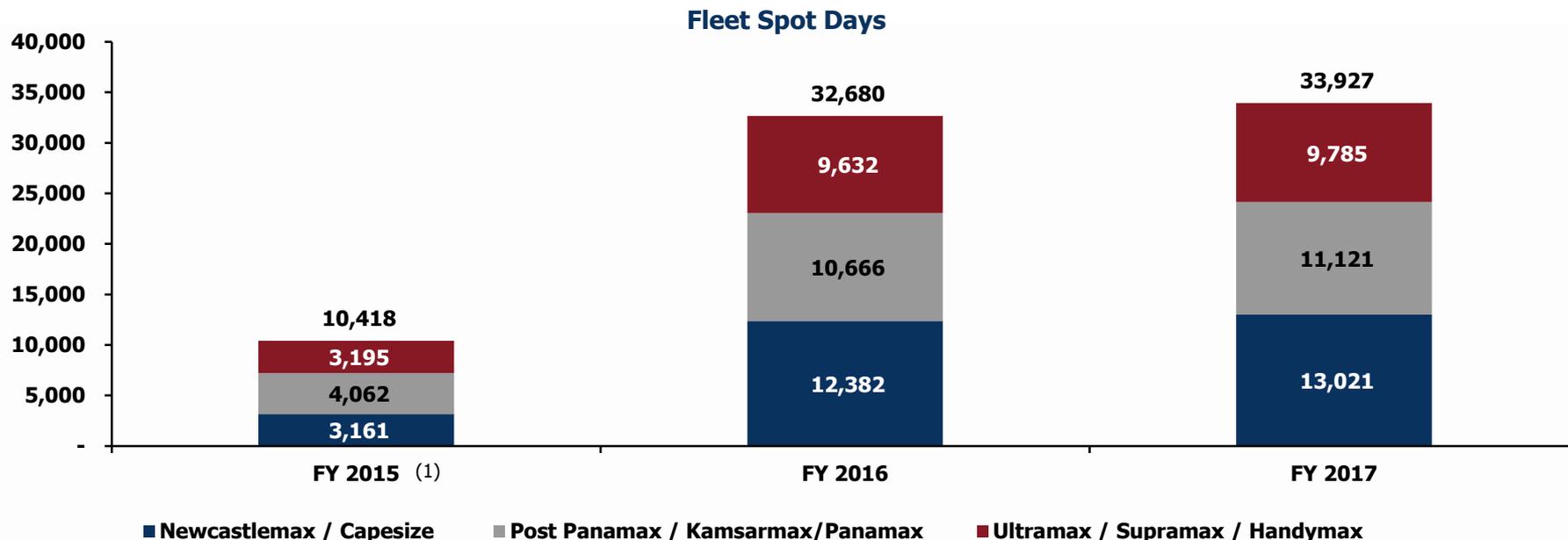
*On a fully delivered basis, our fleet will consist of 94 vessels with 10.9 million dwt with average age of 6.2 years <sup>(2)</sup>*



(1) As of June 26th, 2015

(2) Represents September 2016 average age; excluding 90's built Panamax and Handymax vessels.

# Fleet Employment Profile



Vessel	Charterer	2015			2016				Gross TC Rate
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Big Bang	Major Mining Company								\$25,000
Christine	Major Utility Company								\$25,000 (2)
Sandra	Major Utility Company								\$26,000 (2)
Lowlands Beilun	Major Utility Company								28,000 (2)
Amami	Glocal Maritime								\$15,000
Madredeus	Glocal Maritime								\$15,000
Star Sirius	Glocal Maritime								\$15,000
Star Vega	Glocal Maritime								\$15,000
Star Vanessa	ABT								\$7,000

(1) As of June 24, 2015

(2) 50% profit share above the base rate

# 24 of 25 NB Vessels have Committed Debt

24 of 25 newbuilding (NB) vessels have committed financing in place totalling \$745.8 million

Currently in negotiations to finalize financing for the remaining 1 NBs

NB Debt Financing Update									
Vessel Financed	Vessel Type	Estimated Delivery Date	Bank - Type of Financing	Status	Amount	Tenor (Years)	Annual Amortization <sup>(1)</sup>	Balloon	
1 HN NE167 (tbr Goliath)	Newcastlemax	Jul-15	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.0	\$20.3	
2 HN NE184 (tbr Maharaj)	Newcastlemax	Jul-15	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.0	\$20.3	
3 HN NE 198 (tbr Star Poseidon)	Newcastlemax	Mar-16	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.0	\$20.3	
4 HN 1342 (tbr Star Gemini)	Newcastlemax	Mar-16	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.0	\$20.3	
5 HN 1372 BB (tbr Star Libra)	Newcastlemax	Nov-15	CSSC - BBHP	Committed	\$47.2	10.0	\$2.6	\$14.2	
6 HN 1359 BB (tbr Star Marisa)	Newcastlemax	Nov-15	CSSC - BBHP	Committed	\$46.4	10.0	\$2.6	\$13.9	
7 HN 1360 BB (tbr Star Ariadne)	Newcastlemax	Feb-16	CSSC - BBHP	Committed	\$46.4	10.0	\$2.6	\$13.9	
8 HN 1371 BB (tbr Star Virgo)	Newcastlemax	Feb-16	CSSC - BBHP	Committed	\$46.4	10.0	\$2.6	\$13.9	
9 HN 1361 BB (tbr Star Magnanimus)	Newcastlemax	May-16	CSSC - BBHP	Committed	\$46.4	10.0	\$2.6	\$13.9	
10 HN 1363 BB (tbr Star Chaucer)	Newcastlemax	Sep-16	CSSC - BBHP	Committed	\$46.4	10.0	\$2.6	\$13.9	
11 HN 1343 (tbr Star Leo)	Newcastlemax	Mar-16	Major Financial Institution	Negotiated	\$32.5	TBA	TBA	TBA	
12 HN 1312 (tbr Bruno Marks)	Capesize	Sep-15	CEXIM	Committed	\$28.7	10.0	\$2.3	\$5.7	
13 HN 1313 (tbr Jenmark)	Capesize	Oct-15	CEXIM	Committed	\$28.7	10.0	\$2.3	\$5.7	
14 HN 1338 (tbr Star Aries)	Capesize	Nov-15	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.0	\$20.3	
15 HN 1339 (tbr Star Taurus)	Capesize	Mar-16	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.0	\$20.3	
16 HN 5055 (tbr Behemoth)	Capesize	Jan-16	Major Financial Institution	Committed	\$32.5	6.0	\$2.1	\$20.3	
17 HN 5056 (tbr Megalodon)	Capesize	Jan-16	BNP	Committed	\$32.5	5.0	\$2.2	\$21.8	
18 HN 5040 (tbr Star Aquarius)	Ultramax	Sep-15	NIBC	Committed	\$16.0	5.3	\$1.1	\$10.4	
19 HN 5043 (tbr Star Pisces)	Ultramax	Sep-15	NIBC	Committed	\$16.0	5.0	\$1.1	\$10.6	
20 HN NE 196 (tbr Star Antares)	Ultramax	Oct-15	DB/HSBC - ECA	Committed	\$117.3	12.0	\$9.8	-	
21 HN NE 197 (tbr Star Lutas)	Ultramax	Jan-16	DB/HSBC - ECA	Committed					
22 HN 1080 (tbr Kennadi)	Ultramax	Jan-16	DB/HSBC - ECA	Committed					
23 HN 1081 (tbr Mackenzie)	Ultramax	Feb-16	DB/HSBC - ECA	Committed					
24 HN 1082 (tbr Night Owl)	Ultramax	Mar-16	DB/HSBC - ECA	Committed					
25 HN 1083 (tbr Early Bird)	Ultramax	Apr-16	DB/HSBC - ECA	Committed					
<b>Total</b>					<b>\$778.3</b>				
24 Total Committed					\$745.8				
1 Total Negotiated					\$32.5				

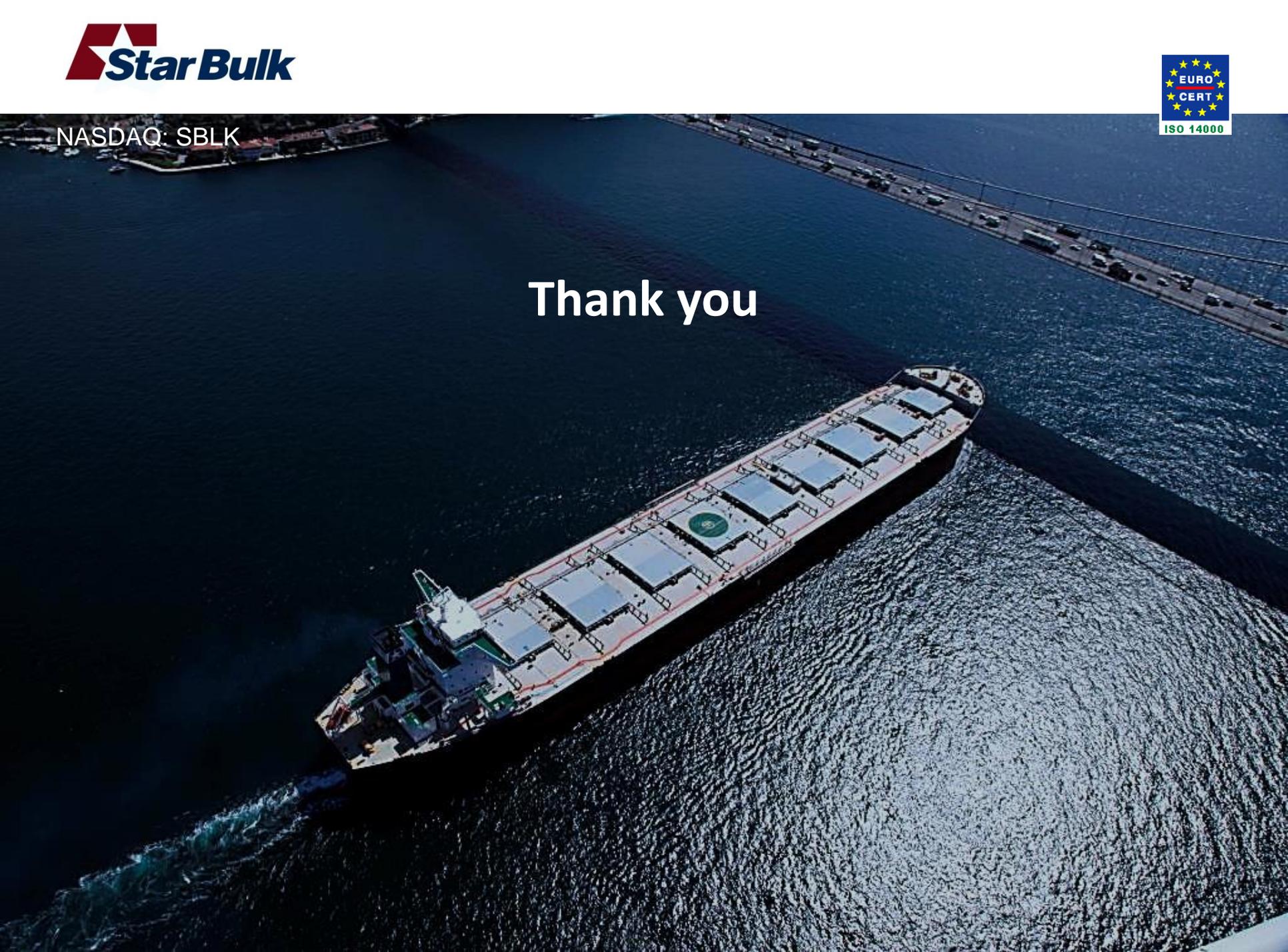
(1) For vessels under BBHP structure average annual principal repayment for the first 4 years is displayed

(2) Excluding yard financings

# Income Statement 1<sup>st</sup> Quarter 2015



(in \$000's)	Jan 1 - Mar 31, 2015	Non-cash Adjustments	Adjusted Jan 1 - Mar 31, 2015	Adjusted Jan 1 - Mar 31, 2014
<b>REVENUES:</b>	<b>45,501</b>	<b>3,910</b>	<b>49,411</b>	<b>21,745</b>
<b>EXPENSES:</b>				
Voyage expenses	(17,746)		(17,746)	(2,445)
Vessel operating expenses	(27,783)		(27,783)	(8,005)
Drydocking expenses	(2,866)		(2,866)	(690)
Management fees	(1,989)		(1,989)	0
General and administrative expenses	(5,563)	858	(4,705)	(2,893)
Vessel Impairment Loss	(1,080)	1,080	0	0
Loss on time charter agreement termination	(2,114)	2,114	0	0
Other operational loss	0		0	(90)
Other operational gain	40		40	169
Loss on sale of vessel	(2,053)	2,053	0	0
<b>Total expenses</b>	<b>(61,154)</b>	<b>6,105</b>	<b>(55,049)</b>	<b>(13,954)</b>
Equity in income of investee	179	(179)	0	5
<b>EBITDA</b>	<b>(11,564)</b>	<b>9,836</b>	<b>(5,638)</b>	<b>7,796</b>
Depreciation	(18,284)		(18,284)	(4,679)
<b>Operating Income</b>	<b>(33,937)</b>	<b>10,015</b>	<b>(23,922)</b>	<b>3,112</b>
Interest and finance costs	(6,432)	37	(6,395)	(1,363)
Interest income and other	(524)		(524)	(11)
Loss on derivative financial instrument	0		0	0
<b>Total other income (expenses), net</b>	<b>(6,418)</b>	<b>37</b>	<b>(6,381)</b>	<b>(1,374)</b>
<b>Net Income / Loss</b>	<b>(40,176)</b>	<b>9,873</b>	<b>(30,303)</b>	<b>1,743</b>
<b>EPS</b>	<b>(\$0.26)</b>		<b>(\$0.20)</b>	<b>\$0.06</b>



Thank you